

LMC

Livestock & Meat Commission

Guidance on the Acceptance and Provision of Gifts and Hospitality

1 Introduction

This document provides guidance to LMC staff and board members in relation to gifts and hospitality. It highlights the importance of a consistent perspective on an increasingly important issue whilst recognising that some degree of flexibility and judgement must be maintained.

Staff/board members should conduct themselves with honesty and impartiality at all times. Hence it is not acceptable to receive any benefit that may be perceived as having the potential to compromise personal judgement on work related issues. LMC staff/board members must not use public resources for personal benefit, or receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement, integrity or impartiality.

In some circumstances acceptance of gifts and hospitality can be deemed illegal. The Prevention of Corruption Act 1906 determines that any money, gift or consideration received by a staff member from a person or organisation holding or seeking to obtain a Government contract will be deemed by the Courts to have been received corruptly unless the staff member proves to the contrary. Therefore it is in all staff/board members interest to be in a position to be able to justify all gift and hospitality related decisions.

LMC holds a Register of Gifts and Hospitality for each year which is available for periodic review. The registers are subject to Freedom of Information (FOI) requests so staff/board members should bear this in mind when deciding on the acceptance of any gift or hospitality.

1.1 Purpose

The purpose of this document is to:

- Outline for all LMC staff/board members, the guidelines and fundamental principles for the provision and acceptance of gifts, hospitality and rewards
- Provide advice on how hospitality either provided by or offered/accepted by LMC staff/board members should be approved
- Provide advice on whether and how provision and acceptance of LMC staff/board members should be recorded

- Outline roles and responsibilities for staff/board members at all levels within LMC

2 Roles and Responsibilities

LMC staff/board members must not use public resources for personal benefit or receive benefits in kind from a third party which may be seen to compromise their judgement or integrity. Care should be taken to avoid actual, potential or perceived conflicts of interests when employing consultants and procuring goods and services.

Senior Managers should be satisfied that any expenditure on gifts and hospitality incurred is in the best interest of the organisation, provides value for money and complies with current policies and guidelines. Senior Managers should ensure that all staff/board members comply with current guidance on both the acceptance of and provision of hospitality.

The Chief Executive (Accounting Officer) must have a defence against charges that the level of gifts and hospitality accepted or provided is excessive or that the LMC staff/board members are being entertained at the expense of the public purse. Where there is doubt about any particular event, the Accounting Officer should seek advice.

The Audit and Risk Assurance Committee (ARAC) will periodically review the Register of Gifts and Hospitality and provide general advice on good practice.

Internal Audit has a role in the monitoring of compliance against policy and guidance. Additionally Internal Audit is available to provide advice and guidance on matters relating to the acceptance or provision of gifts and hospitality.

3 General Principles

- 3.1 LMC has developed a set of guidelines on the acceptance and provision of gifts and hospitality in line with DAO (DFP) 10/06. All expenditure is to be thought of as public money. Official hospitality is a sensitive matter that can lead to public criticism. Extreme care should be taken to avoid exposing LMC to allegations of impropriety or extravagance.
- 3.2 Official hospitality should only incur expenditure where it can be shown to be in direct support of LMC business. Therefore it is recognised that expenditure may be more frequent in some business areas, due to the nature of work carried out. Similarly Annual Conferences or Dinners which are considered an integral element in building and maintaining relationships with relevant sectors are acceptable. As with all public expenditure, provision of hospitality expenditure should be value for money and incurred in accordance with the principles of regularity and propriety “The Seven Principles of Public Life” (Nolan Principles).

- 3.3 It is not practical to draw up a sliding scale for everything falling under the umbrella of provision of hospitality. Some events will justify a much greater outlay than others and judgements on the scale of provision should be based on common sense considerations.
- 3.4 Managers have a responsibility always to consider the justification for hospitality. The scale of expenditure should be appropriate to the needs of the occasion and the status of the guests. Managers should always exercise economy. Approval must be obtained via LMC Purchase Order in support of expenditure being incurred, in line with the Management Statement and Financial Memorandum.
- 3.5 It is recognised that there may be cases where, in the interest of the business, flexibility in interpretation of the strict rules may be necessary. In such instances, approval must be obtained in writing from the Chief Executive/LMC Chairman which clearly details:-
- why the request falls outside the boundaries of what is normally allowable
 - why it is considered necessary to provide or receive such hospitality
 - how it will directly benefit LMC
 - the expected consequences of the request being refused.

4 Acceptance of Gifts and Hospitality

This guidance sets out the principles governing the acceptance of gifts and hospitality and provides some specific advice on how these principles should be interpreted. It sets out good practice concerning acceptance or rejection of gifts or hospitality.

- 4.1.1 LMC recognises that its staff/board members have a responsibility, in the interests of public confidence, to exhibit high standards of propriety and to carry out their role with dedication and commitment to the core values of Public Life: integrity, honesty, objectivity and impartiality.
- 4.1.2 No member of LMC staff or board members should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other consideration to show bias for or against any person or organisation while carrying out official duties. It is just as likely that difficulties will arise over perceptions as the reality.
- 4.1.3 External people on behalf of LMC (e.g. consultants, contracted staff etc.) must also abide by the policy. If it is believed that an external person may have breached the policy, the matter should be reported to the Senior Management Team or Chief Executive as appropriate, who will take the matter up with the

individual or his / her company. This requirement should be notified to external staff before they start any work for LMC.

- 4.1.4 This guidance should also be seen as applying to spouses, partners or other associates if it can be argued or perceived that the gift or hospitality is in fact for the benefit of the staff/board member.

4.2 Gifts

4.2.1 The general principle is that all gifts offered should be refused. However, seasonal or modest gifts (such as calendars, diaries, pens etc.) which bear company names and/or logos of the provider of the gift and have a value of less than £50, may be accepted by individuals without the need to be reported. More expensive or substantial items valued at £50 or more and gifts of cash, gift vouchers, lottery tickets or gift cheques cannot on any account be accepted. Gifts in kind regularly received from the same source, although individually of an inexpensive nature, may also lead to difficulties in terms of the perceptions of others.

4.2.2 Acceptance of any other gifts (other than those outlined in 4.2.1 above for which approval is not required) are subject to approval by the Chief Executive and must be declared by the staff member/board member in the Register of Gifts and Hospitality. If the recipient has or will reject the gift, this must also be included in the Register.

4.2.3 Trade, loyalty or discount cards by which a person might personally benefit from the purchase of goods or services at a reduced price are classified as gifts and should be refused.

4.2.4 Frequent flyer cards used by airlines can be used by staff/board members to avail of special departure lounges and priority booking and check-in. They must NOT make private use of any flights / air miles which derive from flights paid from the public purse.

4.2.5 Apart from trivial / inexpensive seasonal gifts, no gifts or hospitality from any source should be accepted by anyone involved in the procurement or monitoring of a contract. This will ensure that no criticism can be made regarding bias to a particular company or supplier.

4.3 Hospitality

4.3.1. Handling offers of hospitality is recognised as being more difficult to regulate but it is an area where staff/board members must exercise careful judgement. It is also recognised that it can be as embarrassing to refuse hospitality as it can be to refuse a gift.

4.3.2 The offer of food or refreshments during the course of the work or an inexpensive gift intended to be shared e.g. chocolates are unlikely to cause difficulties. Similarly invitations to Annual Conferences or Dinners which are

considered an integral element in building and maintaining relationships with relevant sectors are acceptable – such hospitality is likely to be reasonable and proportionate. Caution should at all times be exercised to ensure that over-representation of LMC does not occur at any given event.

- 4.3.3 The acceptance of what would be accepted as conventional hospitality, e.g. working lunches, should cause no problem especially if it is limited to specific occasions and its acceptance is in the interests of LMC. Hospitality which would not be acceptable would include invitations to frequent or more expensive social functions where there is no direct link to official business (sporting events, theatre, opera or ballet etc).
- 4.3.4 The main point is that in accepting hospitality is that staff/board members need to be aware of, and guard against, the dangers of misrepresentation of perception of favouritism by a competitor of the host.
- 4.3.5 In deciding whether a gift or hospitality can be accepted, consideration should be given to whether it:
- a) is likely to help business effectiveness
 - b) places no obligation or perceived obligation on the recipient
 - c) is not frequent, lavish or prolonged
 - d) is unconnected with any decision affecting the organisation or the individual offering it
 - e) can be justified
 - f) provides benefits to LMC which outweigh the risk of possible misrepresentation of the hospitality.

The best advice is if in doubt, do not accept or failing that, consult senior management.

5 Provision of Gifts and Hospitality by LMC

5.1 Hospitality Requirements

5.1.1 The primary consideration for the justification for expenditure on gifts and hospitality to be provided by LMC is that it should be in the direct interest of the organisation. Food and refreshment hospitality should be appropriate and proportionate to the occasion.

5.1.2 LMC Senior Management Team have authority to approve expenditure up to a limit of £35 per head (including drinks/service charge). Anything above this limit can be approved by the Chief Executive, subject to full justification. In such cases full details of the function, number of guests and staff attending, together with itemised costs should be recorded on the LMC Purchase Order or suitable documentation (for example on or attached to expenses claim

forms). Such hospitality should then be recorded on the Register of Gifts and Hospitality.

- 5.1.3 When choosing venues for hospitality or meals to be provided, the most expensive hotels and restaurants should be avoided unless there are compelling reasons such as the availability of particular facilities, when choosing venues. Where a meal is to be provided, a fixed price menu should normally be agreed in advance. If no service charge is included on the bill, a tip of up to 10% is considered reasonable.

5.2 Gifts Requirements

- 5.2.1 In line with DAO 06/12 approval must be obtained for all gifts in excess of £250. If any gift exceeds £250 a case should be made and clearance obtained from DAERA Finance Division.

- 5.2.2 Submissions should record specific details of the gifts. They should fully justify why the gift is deemed necessary and how value for money has been ensured.

5.3 Hospitality Expenditure Guidelines

It is difficult to defend expenditure if incurred on behalf of visitors who are paid from public funds for their services. Only in exceptional circumstances should expenditure be incurred for NI and Home Civil Servants. In such cases numbers should be kept to an absolute minimum.

The costs of drinks, including aperitifs and wines, should not exceed more than one-third of the total cost of the function. However, it is recognised that judgement will be required to ensure that such a restriction on hospitality does not render nugatory the purpose of providing the hospitality in the first instance i.e. the generation of goodwill.

5.4 Refreshments

Internal meetings should not normally be supported from public funds. Such meetings do not constitute a “special duty”. Staff would be purchasing/making their own refreshments on a normal day, and therefore this should not change. In very exceptional circumstances a Senior Manager/Chief Executive may be obliged to provide refreshments for a large gathering of LMC staff/board members.

Inter-departmental meetings that are organised on a formal basis (more than five people with minutes being taken) may provide refreshments.

For external visitors it is reasonable to provide refreshments such as tea/coffee/biscuits. However, working meals are acceptable where it can be demonstrated that it is cost-efficient. This is generally because it would hinder progress and efficiency to halt in order for refreshments. It is acceptable for LMC staff/board members to partake of the same hospitality on such occasions, and also

when meetings/events are being hosted off site by LMC. This does not cover internal meetings where staff could reasonably be expected to organise their usual arrangements in advance of the meetings.

For internal training courses/workshops/seminars/conferences refreshments and lunch may be provided e.g. sandwiches

Where it is necessary to entertain visitors in the evening the total cost per head including refreshments should not be excessive.

6 Records of Gifts and Hospitality

LMC will maintain a Register of Gifts and Hospitality recording all gifts and hospitality offered to and accepted or rejected by LMC staff/board members and their spouses, partners etc. (Appendix 1). The working copy is held by Chief Executive. The Register is monitored and reviewed annually by the Chief Executive. The Register of Gifts and Hospitality may be included in Internal Audit inspections and the register is subject to Freedom of Information (FOI) requests.

The Register of Gifts and Hospitality should record expensive gifts and/or hospitality that have been accepted or rejected. It is not necessary to include inexpensive gifts on the Register (such as calendars, pens, diaries) however working lunches should be included to ensure they do not become a regular occurrence. All gifts and hospitality should be recorded on the current year Register of Gifts and Hospitality if they are estimated to be worth £50 or more; this also applies if the cumulative total from any source exceeds £50 in any year.

7 Failure to comply

It is not possible to cover here every situation. The advice contained within this guidance is designed to protect LMC staff and board members from charges of impropriety. Although some level of judgement is recommended, any member of staff/board member who is or becomes aware of or has any doubt about matters relating to this guidance should advise his/her manager without delay to seek advice on further action.

Failure by any member of staff to comply with the requirements of the above Guidance on Acceptance and Provision of Gifts and Hospitality may constitute a breach of Disciplinary Rules and will be dealt with as such.

References:

- DAERA Guidance on the Acceptance and Provision of Gifts and Hospitality
- DAO (DOF) 10/06 - Acceptance and Provision of Gifts and Hospitality
- DAO (DOF) 06/12– Departmental Delegations/Requirements for DAERA
- NICS HR Handbook Section 6.01 Standards of Conduct – Acceptance of Gifts, Hospitality and Rewards
- The DAERA Fraud Prevention Policy
- Prevention of Corruption Act (1906/1916) – The Act assumes that any gift or consideration has been given corruptly, unless the contrary can be proved.
- Regularity, Propriety and Value for Money, Treasury Officer of Accounts (Nov 2004)
- The NICS Code of Ethics
- LMC Anti-Bribery Policy
- LMC Guidance on Conflicts of Interest

